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SUBJECT: Canada's Prime Minister Ventures to China for First Time
with Modest Goals

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CLASSIFIED BY: ScottBellard, POLMinCouns, Ottawa, POL; REASON:
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¶1. (C/NF) Summary: Prime Minister Stephen Harper will make his first visit to China as Canadian leader December 3-6. He will most importantly meet with President Hu Jintao, National People's Congress chairman Wu Bangguo, and Premier Wen Jiabao. According to Canadian officials, his main emphasis will be on the commercial aspects of the bilateral relationship, not so much on China's political and human rights or global issues. The goals for the trip are admittedly "very modest," primarily to help the PM to "try to begin to establish relationships with important Chinese officials." No new agreements (or any genuine deliverables) appear in the works for the trip. Canadian officials believe that Canada has "resources that China needs for its growth, technology, education and 'connectiveness' to the North-American market." With a minority of MPs in the House of Commons, PM Harper's constant focus is inevitably first and foremost on domestic politics, not foreign policy. End summary.

First Trip to China as PM

¶2. (SBU) Prime Minister Stephen Harper of the ruling Conservative Party will make his first visit to China as Canadian leader December 3-6, with stops in Beijing, Shanghai, and the Hong Kong (see schedule in para 11). He has faced considerable criticism from opposition parties and pundits since taking office in 2006 for not having undertaken this visit already, especially given the Conservatives' self-proclaimed foreign policy priority for emerging Asian markets, notably China and India. (After China, Harper will go to Seoul on December 6 and 7.) Prime Minister Harper's cabinet approved a new China policy in late 2008 (ref a), and this trip caps a steady progression of high level visits, including 20 ministerial delegations, that are the proclaimed centerpiece of the new engagement plan. In Beijing, PM Harper will meet with President Hu Jintao, National People's Congress chairman Wu Bangguo and premier Wen Jiabao. In Shanghai, Harper will meet with business and political leaders, including the mayor of Shanghai. In Hong Kong, he will have a bilateral with chief executive Donald Tsang, as well as several interactions with Canadian and Chinese business leaders. Senior and mid-level Canadian officials describe the main emphasis of the trip as on the commercial aspects of the bilateral relationship, rather than China's political and human rights issues or other global topics such as Afghanistan or Burma.

Building Relationships with "Respectful, Positive, and Frank" Dialogue

¶3. (C/NF) The Prime Minister's Spokesman Dimitri Soudas told Dep Pol/C that PM Harper's public and private tone throughout the trip will be "respectful, positive, and frank." Soudas confirmed that PM Harper will deliver a "major policy speech" in Shanghai, but declined repeatedly to identify what areas the PM would highlight during his address to the Canada-China Business Council. He

commented that the Prime Minister was seeking to use his trip to "build relationships, while balancing advancing Canada's interests in the areas of economy, trade, and climate change." Department of Foreign Affairs and International Trade (DFAIT) China Deputy Director Carole St. Louis separately admitted to Dep Pol/C that the goals for the trip were "very modest, very basic," as the Prime Minister "tries to begin to establish relationships with important Chinese officials." Canadian officials do not expect any agreements or other deliverables from the trip, despite some efforts to get China to grant Canada status as an official tourist destination for Chinese citizens or to give Canadian access to the Chinese retail banking market.

¶4. (C/NF) As late as mid-November, Canadian officials had privately stressed that PM Harper planned no policy speeches during his visit. Soudas conceded that China's recent climate change statements and President Obama's public diplomacy in this area might have contributed to the decision to raise the public profile of this trip with the PM's Shanghai speech. Soudas underlined that PM Harper will likely stick to his public line that "all roads to cooperation ultimately run through Copenhagen." He added the PM will continue "to make the case that an effective international agreement on climate change must include all major emitters with tangible and realistic targets." Soudas said that PM Harper will tell Chinese officials that with its new status as a "global power comes significant responsibility." As incoming chair of the G8, PM Harper will be "discussing a wide range of global issues with his Chinese counterparts, notably with regard to the G20," Soudas added.

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Trade and Investment Drive Relations

¶5. (SBU) The prime minister's visit takes place against the backdrop of the upcoming 40th anniversary of Sino-Canadian relations in 2010. Two-way trade is up 31 percent to a historic high of C\$53 billion, according to the most recent Canadian government statistics. In an off-the-record background briefing for Canadian reporters on November 30, Canada's Ambassador to China David Mulroney outlined that trade and investment are a "big part of what we are focusing and have been focusing on," pointing to a 30 percent increase in bilateral investment, which he said makes China "Canada's second largest trade investment" partner. He emphasized Canada's continued engagement in the areas of energy, environment, and health. He highlighted Canada's Public Health Agency had deployed personnel to China "working on public health issue and a range of global issues." Ambassador Mulroney noted China's role as "a global economic force and a permanent member of the Security Council" that makes China's positive engagement "essential" in confronting a range of global issues.

¶6. (C) According to Canadian officials, a harmonious Sino-Canadian relationship is "essential" to Canada's future "prosperity, security, and well-being." They have also emphasized that "people-to-people" links are currently leading the bilateral relationship. DFAIT's St. Louis pointed to the 1.2 million Canadians of Chinese origin, noting that Chinese (both Cantonese and Mandarin) is now Canada's third most frequently spoken language. She added that approximately 42,000 Chinese students are pursuing educational studies in Canada.

¶7. (U) Testifying before a Canadian Senate committee on November 25, Minister of International Trade Stockwell Day described Canada's enthusiasm to raise commercial engagement with China: "we talk about building a road; they talk about building a city. We talk about building a ship; they talk about building a navy. It is unbelievable what is going on over there. We want to be part of that. That is why we aggressively pursue as many arrangements as we can to make it as easy as we can." Minister Day told the senators that China is extremely interested in Canada's conventional fossil fuels. He added that Chinese interlocutors had told him that they recognized, with the approaching Copenhagen Summit, "that they are being looked at by the rest of the world in terms of emissions." As a result, he argued, "they are soaking up alternative forms of energy." Minister Day noted that, during his April 2009 trip to China, he had signed a deal on behalf of a Canadian compressed

natural gas company worth more than C\$100 million.

18. (C/NF) St. Louis separately underscored that Canada has a tremendous amount to offer to China, "resources that China needs for its growth, technology, education and 'connectiveness' to the North-American market." Press Secretary Soudas contended that Canada "also has important know-how that China can draw from, such as in the financial sector, where Canada's solid banking system has demonstrated its strengths in weathering the global economic storm."

Human Rights "Woven" in the Background

19. (C/NR) According to Ambassador Mulroney, human rights are "very much woven into the fabric of the relationship. They come up on visits. They come up in sort of multilateral sessions with other countries. We build those into the programming that we do with China, but we do it in a way that it is designed to really effect change." He argued that the Canadian way is to raise human rights in "a frank but respectful way." Claude Carriere, Foreign and Defence Policy Advisor to the PM, disclosed that Canadian officials have raised human rights cases "in preparation for this trip." St. Louis acknowledged that Harper is not likely to "hand across specific lists of prisoners," however. Separately, Alex Neve, Secretary General of Amnesty International-Canada, described his group's goal as being even more modest: "we hope the Prime Minister raises human rights during his trip," he told poloff on December 1.

Comment

10. (C/NR) Policy advisors in the Prime Minister's Office had earlier expressed disappointment that Beijing had been unwilling to schedule a visit by PM Harper immediately before or after the APEC Leaders' Summit in Singapore, which they attributed to Beijing's wariness over how Ottawa might receive the Dalai Lama - to whom Canada granted honorary Canadian citizenship in 2006 -- during his

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October visit to Canada. The PM's decision not to meet him on that trip did result in the eventual invitation, rather to the inconvenience of the PM, who generally dislikes foreign travel and did not welcome having to make two trips to Asia in less than month. Even with modest goals, the PM will welcome the opportunity to showcase to the growing Chinese-Canadian community - an important potential source of new Conservative voters - his efforts to cultivate China, as he had done on his November trip to India, another major source of Canadian immigrants. With a minority of MPs in the House of Commons, PM Harper's constant focus is inevitably first and foremost on domestic politics. End comment.

Prime Minister Harper's Schedule in China

11. (U) Thursday, December 3 - Beijing

12:00 Visit to the Great Wall (40 minutes)
15:45 Meeting with President Hu Jintao at the Great Hall of the People
17:00 Meet with Premier Wen Jiabao
18:30 Official dinner hosted by Wen Jiabao

Friday, December 4 - Beijing and Shanghai

10:00 Tour of the Forbidden City
11:00 Winter Olympics-related promotional event at the Canadian International School
15:00 Meeting with Chairman of the National People's Congress Wu Bangguo
16:30 Depart Beijing for Shanghai

18:45 Arrive Shanghai

20:00 Major policy speech to the Canada-China Business Council and the Canadian Chamber of Commerce in Shanghai, Hyatt on the Bund.

Saturday, December 5- Shanghai and Hong Kong

10:15 Tour of the Canada Pavilion Expo 2010

12:10 Meet Shanghai Mayor Han Zheng

14:45 Depart Shanghai for Hong Kong

17:00 Arrive in Hong Kong

21:00 Brief remarks to a reception hosted by the Canada Hong Kong Business Council and the Canadian Chamber of Commerce in Hong Kong

Sunday, December 6 - Hong Kong

09:30 Meeting with Chief Executive Donald Tsang and Matthew Chong, Secretary for Labor and Welfare of the Hong Kong special administrative region

10:50 Wreath-laying ceremony at Sion War Cemetery

17:00 Depart Hong Kong en route to South Korea

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